

Message Text

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67

ACTION ARA-20

INFO OCT-01 EUR-25 ISO-00 AID-20 CIAE-00 COME-00 EB-11

FRB-02 INR-10 NSAE-00 RSC-01 TRSE-00 XMB-07 OPIC-12

SPC-03 CIEP-02 LAB-06 SIL-01 OMB-01 NSC-10 SS-20

STR-08 CEA-02 L-03 H-03 PA-04 PRS-01 USIA-15 DRC-01

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R 102025Z JAN 74

FM AMEMBASSY SANTIAGO

TO SECSTATE WASHDC 7110

INFO AMEMBASSY BRASILIA

AMEMBASSY BUENOS AIRES

AMEMBASSY PARIS

AMCONSUL RIO DE JANEIRO

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EO 11652: N/A

TAGS: EAID, CI, BR, AR

SUBJ: GOC SIGNS LOAN AGREEMENTS WITH BRAZIL AND ARGENTINA

REF: SANTIAGO 5741, 5985 (NOTAL)

1. CENTRAL BANK PRESIDENT CANO ANNOUNCED JANUARY 9 THAT AGREEMENT FOR BRAZILIAN \$50 MILLION BALANCE OF PAYMENTS LOAN WITH NO STRINGS ATTACHED HAD RECENTLY BEEN SIGNED IN RIO.

2. ON DECEMBER 28 CANO AND ARGENTINA CENTRAL BANK VICE PRESIDENT VENTURA SIGNED TWO LOAN AGREEMENTS. ARGENTINA WILL PROVIDE \$20 MILLION FOR IMPORTS OF BREEDING CATTLE, AND \$15 MILLION FOR MACHINERY, CAPITAL GOODS AND SPARE PARTS. LATTER AMOUNT REPRESENTS ENLARGEMENT OF JANUARY 1973 ARGENTINA LINE OF CREDIT OF \$100 MILLION.

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3. ACCORDING MINISTER OF HEALTH SPOERER, GOC HAS DECIDED TO UTILIZE \$4 MILLION LOAN OFFERED BY BRAZIL IN 1972. CREDIT WILL BE FOR BRAZILIAN MEDICAL EQUIPMENT.

4. COMMENT: BRAZIL AND ARGENTINA HAD PREVIOUSLY OFFERED TO JUNTA LOAN PACKAGES OF APPROXIMATELY \$200 MILLION EACH. HOWEVER, IMF HAS RECOMMENDED LIMIT ON ANY NEW EXTERNAL CREDITS OF LESS THAN 15 YEARS. GOC HAS APPARENTLY BEEN UNABLE TO CONVINCE BRAZIL AND ARGENTINA TO EXTEND ANY LONG TERM LOANS IN ADDITION TO THOSE SIGNED RECENTLY. CANO NOTED THAT GOC PREFERRED NOT TO USE NOW OTHER CREDITS OFFERED BY BRAZIL AND ARGENTINA BECAUSE CHILE WANTED TO APPEAR AT NEXT PARIS CLUB MEETING IN BEST POSSIBLE CONDITION. THOMPSON

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Message Attributes

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Draft Date: 10 JAN 1974
Decaption Date: 01 JAN 1960
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Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: morefirh
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
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30 JUN 2005

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